



Presented to the KHPA Board
November 18, 2008

**Proposed Staff Recommendation: Recommended Criteria for
Transfer of Additional Programs or Health Care Purchasing Functions to KHPA**

Related Legislation: In the statute that created the Kansas Health Policy Authority (KHPA), KSA 2005 Supp. 75-7401, *et seq.*, the mission of KHPA was defined as follows: "...to develop and maintain a coordinated health policy agenda which combined the effective purchasing the administration of health care with health promotion oriented public health strategies. The powers, duties and functions of the Kansas Health Policy Authority are intended to be exercised to improve the health of the people of Kansas by increasing the quality, efficiency and effectiveness of health services and public health programs." With this legislation, KHPA assumed responsibility for the federally-funded medical assistance programs (Kansas Medicaid Program and the State Children's Health Insurance Program (SCHIP)), the State Employee Health Plan, the State Workers Compensation Self-Insurance Fund, and the additional programs of MediKan, the Working Healthy portion of the Ticket-to-Work federal program, the Medicaid Management Information System (MMIS), the Restrictive Drug Formulary and Drug Utilization Review Program. The health care data responsibilities of the former Health Care Data Governing Board were also assumed by the KHPA in this statute.

Background: As mandated in **KSA 75-7405 (e)(f)**, in 2006 and 2007, KHPA prepared recommendations for legislative review which related to the additional transfer of programs and services to the Authority. In both cases, the staff recommendation was to delay any transfer of additional programs or services for the following reasons: 1) an analysis of the then-current staffing levels indicated that those resources were needed to operate the mandated programs; 2) input from stakeholder groups suggested that the transfer of additional programs to KHPA would be premature and not practical; 3) additional staff and resources were necessary to develop health reform recommendations as required in the passage of Substitute for Senate Bill 11 by the 2007 Legislature; 4) there was strong collaboration and coordination effort among KHPA, SRS, KDHE, and Aging, with no need to subsume those agencies' health care purchasing duties or related responsibilities. The KHPA Board approved the recommendations to delay any transfer of additional programs or services; and these recommendations were subsequently submitted to the 2007 and 2008 Legislature.

Current Issue: The administration of the federally-funded assistance programs is complex. Strict compliance by KHPA to federal regulations and reporting is required. Providing timely and accurate customer service to consumers, providers, legislators, and stakeholders is critical. Oversight of the claims payment and processing system as well as the delivery systems requires diligence. Most importantly, however, is the awareness that even a minor modification to a Medicaid program has implications for a vulnerable adult or child receiving those services in Kansas. Any decision to transfer a Medicaid program or service currently being operated and maintained in another state agency must be given full consideration by the policymakers with adequate representation from consumers, providers, and the stakeholders and advocacy groups.

As the Medicaid single state agency, KHPA works closely with the Kansas Department on Aging (KDOA) and the Kansas

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Social and Rehabilitation Services (SRS). These agencies are responsible for policy development and implementation as well as administering Medicaid-funded programs and services (for the nursing facilities and the Home/Community Based Services respectively), while the role of KHPA as directed by statutory authority is to provide oversight of the Kansas Medicaid program. KHPA and KDHE also have a number of cross-agency initiatives, the most recent being the development of the KHPA 2009 health reform recommendations which included several of KDHE's reform recommendations. These joint ventures only underscore the current collaborative strength between KHPA, Aging, KDHE, and SRS which provides for the continued success of providing critical services to those Kansans most needy.

Proposed Recommendation: To provide for a thoughtful and methodical program transfer process, KHPA staff would recommend that, prior to any decision to transfer an additional Medicaid program or service to KHPA, the following criteria be met:

- Provide policy justification how a specific program would be enhanced by the transfer and describe the impact to service delivery and access to providers caused by the transfer;
- Identify what Medicaid population would be impacted and the degree of impact;
- Outline the budgetary impact caused by the program transfer;
- Provide summary of stakeholders' and advocates' suggestions and feedback to the proposed transfer;
- Provide a proposed effective date for transfer of program.

These criteria would be developed by the agency currently administering the program, submitted to the KHPA staff and Board for review, followed by the Board providing final approval of the program transfer subject to legislative approval. This process would provide for a deliberate and thoughtful approach to the consideration and implementation of a Medicaid program transfer to KHPA, while minimizing the impact caused to our most vulnerable populations.